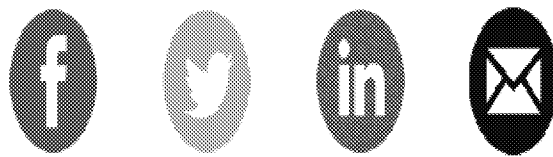


Message

From: The Hill [thehill@email.thehill.com]
Sent: 4/2/2018 10:46:10 PM
To: Block, Molly [block.molly@epa.gov]
Subject: Overnight Energy: EPA to ease car emissions rules | Feds sue California for restricting public land transfers | US Steel reaches settlement over Lake Michigan spill

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PRUITT WANTS CAR RULES EASED: Environmental Protection Agency (EPA) head Scott Pruitt is out with his long-awaited review of the Obama administration's greenhouse gas rules for cars.

The big takeaway: The rules for model years 2022 through 2025, which were written way back in 2012, need to be taken down a few notches, Pruitt concluded.

While the actual 38-page determination gets into some arguments (mainly inspired by automakers who sent in comments), Pruitt's Monday afternoon statement is mostly about the process — particularly the Obama administration declaration, days before President Trump's inauguration, that the rules can stay in place.

"The Obama administration's determination was wrong," Pruitt said.

"Obama's EPA cut the Midterm Evaluation process short with politically charged expediency, made assumptions about the standards that didn't comport with reality, and set the standards too high," he said.

Pruitt also took a shot at California, the nation-sized state on the left coast that can set its own car standards, but that Obama negotiated with to get the current rules. He says, again, that Obama botched the process.

"Cooperative federalism doesn't mean that one state can dictate standards for the rest of the country," he said. "EPA will set a national standard for greenhouse gas emissions that allows auto

manufacturers to make cars that people both want and can afford -- while still expanding environmental and safety benefits of newer cars."

[Read more.](#)

Going back to Cali strictly for the weather: California leaders were none too happy about Pruitt's decision, pledging both to fight it and to stay the course with the rules through 2025.

"This is a politically motivated effort to weaken clean vehicle standards with no documentation, evidence or law to back up that decision," Mary Nichols, chairwoman of the California Air Resources Board (CARB), said in a statement.

"This is not a technical assessment, it is a move to demolish the nation's clean car program. EPA's action, if implemented, will worsen people's health with degraded air quality and undermine regulatory certainty for automakers."

California Attorney General Xavier Becerra (D) said Pruitt's declaration Monday "risks our ability to protect our children's health, tackle climate change, and save hardworking Americans money."

Becerra said he and CARB were still reviewing the EPA's action but he is "ready to file suit if needed to protect these critical standards."

[Read more.](#)

The fine print: The 38-page final determination from Pruitt cites a few big arguments for the conclusion, such as: technology hasn't developed at the expected pace, fuel prices are lower than the Obama administration thought they would be (so people want to buy bigger cars), an allusion to "potential concerns related to automobile safety" and costs to consumers, "especially low-income consumers."

Pruitt is also calling into question the economic justifications for the rules, like the impact of climate change. "Economic inputs such as the social cost of carbon, the rebound effect, and energy security valuation should also be updated to be consistent with the literature and empirical evidence," he writes.

[Read it for yourself.](#)

Why you should care: The car greenhouse gas rules were one of the most significant actions Obama took to fight climate change, owing to transportation's place as one of the biggest emissions sources.

When the rules covering 2012 through 2025 came out, the EPA estimated a 6 billion ton cut to greenhouse gas emissions from the cars produced in that time.

On the other hand, the standards' detractors say they added big costs to cars. The National Auto Dealers Association, for one, said they'd add \$3,000 to the cost of a new model year 2025 car.

What's next: Pruitt is expected to tout the action Tuesday at a Washington-area auto dealership event. The press has, thus far, not been invited.

Monday's action doesn't, in and of itself, change anything.

In order to change the course for the standards through 2025, Pruitt would have to go through the full rulemaking process.

He said Monday that he would do just that, in concert with the Department of Transportation's National Highway Traffic Safety Administration (NHTSA), which is responsible for fuel efficiency standards (in the past, they've been operated as one program, since the best way to reduce a car's greenhouse gas emissions is to increase its efficiency).

At some point, EPA and NHTSA will likely put out a proposal to change the rules. They'll then open that up for public comment, hold hearings if necessary, analyze the comments and then make the changes final.

After that, expect lawsuits from environmentalists and Democratic states.

Separately, Pruitt still needs to decide if he'll try to revoke California's waiver. That would almost certainly spur its own litigation.

MORE TRUMP V. CALIFORNIA: In case the EPA car standards news isn't enough Trump versus California news for the day, the Justice Department sued the Golden State over a law that seeks to restrict federal land transfers.

California's legislature passed the law out of fears that the Trump administration would sell big swaths of federal land like national parks or forests to industries like oil and natural gas drilling.

But Attorney General Jeff Sessions says it's an unconstitutional restriction on the federal government's powers. He asked a federal court in Sacramento to block its implementation Monday.

"The Constitution empowers the federal government -- not state legislatures -- to decide when and how federal lands are sold," he said. "California was admitted to the Union upon the express condition that it would never interfere with the disposal of federal land."

Becerra said California won't back down.

"California didn't become our nation's economic engine and the sixth-largest economy in the world by just sitting back. We blaze trails, we innovate, and we engage in smart stewardship of our precious public lands. Our public lands should not be on the auction block to the highest bidder," he said in a statement. "We're prepared, as always, to do what it takes to protect our people, our resources, and our values."

[Read more.](#)

THE LATEST ON PRUITT'S CONDO:

House Dems want answers: Democratic leaders in the House Energy and Commerce Committee sent a letter to Pruitt Monday asking numerous questions about the revelations last week that he rented an apartment last year from a lobbyist with energy clients.

Ranking Member Frank Pallone (D-N.J.) and Reps. Diana DeGette (D-Colo.) and Paul Tonko (D-N.Y.) want their answers by April 16, a week before Pruitt is due to testify at their committee.

"We are concerned that the unique rental arrangement, in which you only paid rent on the nights you were in town for use of one bedroom in the home, could be a potential conflict of interest," they wrote. "As administrator, you have taken a number of actions to benefit industries regulated by EPA, and this news raises the possibility that you may have personally benefited from your relationship with industry."

Asked about the Democrats' letter, EPA spokesman Jahan Wilcox referred back to what he has previously said about Pruitt's living arrangement.

"As EPA career ethics officials stated in a memo, Administrator Pruitt's housing arrangement for both himself and family was not a gift and the lease was consistent with federal ethics regulations," he said, referring to a late Friday memo by EPA ethics counsel Kevin Minoli that retroactively approved the rental.

[Read the letter.](#)

Christopher Ruddy thinks Pruitt's job is safe: Newsmax CEO and Trump friend Christopher Ruddy isn't overly concerned about Pruitt's future in the administration.

"The president looks very holistically at their whole job performance and I think he'll apply that same formula to Scott Pruitt," Ruddy told [ABC News](#), adding that Trump is not "going to throw somebody overboard just because there's one issue."

Ruddy is known to speak frequently with Trump, especially at the president's Mar-a-Lago resort in Florida, where Trump was this past weekend.

Last weekend, before Veterans Affairs Secretary David Shulkin was pushed out, Ruddy told ABC's "This Week" that Trump told him he is "expecting to make one or two major changes to his government very soon," and that he had heard elsewhere that Shulkin was in danger.

ICYMI: Chris Christie is far less optimistic: Former New Jersey governor and Trump transition head Chris Christie said Sunday that he fears Pruitt is toast.

"I don't know how you survive this one. And if he has to go, it's because he never should have been there in the first place," Christie said on "This Week."

[Read more.](#)

U.S. STEEL GETS \$600,000 FINE FOR INDIANA SPILL: EPA has come to a settlement with the U.S. Steel Corporation for alleged violations of the Clean Water Act following an April 2017 spill of wastewater containing hexavalent chromium into waterways that lead directly to Lake Michigan. As part of the agreement, the company will pay a \$600,000 civil penalty to EPA and the National Park Service. The company also agrees to take measures to improve its wastewater monitoring system at its steel manufacturer and finishing plants to be better equipped to notify authorities of spills.

The settlement follows [data](#) that the EPA is bringing fewer lawsuits against polluters and settling for lower amounts than the previous administration. EPA and the Department of Justice recently announced new policies to work with polluters to come to agreements outside of the courtroom.

Read that story [here](#).

OUTSIDE THE BELTWAY:

The Court of Appeals for the Ninth Circuit ruled that the Army Corps of Engineers must spill more water over certain Columbia and Snake river dams to protect salmon and steelhead, the Associated Press [reports](#).

A new law in Kentucky will prevent federally certified radiologists from analyzing x-rays to make a black lung diagnosis, leaving the process up mostly to doctors hired by mining companies, NPR [reports](#).

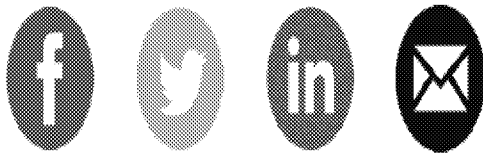
Sparky, a bison on a national wildlife refuge in Iowa who survived a lightning strike in 2013, died last week, WHO TV [reports](#).

IN CASE YOU MISSED IT:

Check out stories from Monday and the weekend ...

- California to fight Trump's 'politically motivated' car standards plan
- Trump administration sues California over state bill on land rights
- Trump administration says Obama EPA car rules should be eased
- Nuclear and coal energy company files for bankruptcy
- Poll: Americans' concerns about energy near record lows
- Christie on Pruitt controversy: 'I don't know how you survive this one'
- Dem lawmaker urges Trump to fire Pruitt
- Honda executive: EPA's relaxed car efficiency standards plan not 'sensible'

Please send tips and comments to Timothy Cama, tcama@thehill.com, and Miranda Green, mgreen@thehill.com. Follow us on Twitter: [@Timothy_Cama](https://twitter.com/Timothy_Cama), [@mirandacgreen](https://twitter.com/mirandacgreen), [@thehill](https://twitter.com/thehill)



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